

Economic Benefits of Recreation, Tourism and Open Space

Communities around the country are learning that open space conservation is not an expense but an investment that produces important economic benefits.

—Trust for Public Land



U. S. Field Hockey National Training Center. Photo by City of Virginia Beach Parks and Recreation.

Six reasons why parks, recreation, open space and land conservation make good economic sense:

- Parks and open space often increase the value of nearby properties, along with property tax revenue.
- Parks and open space attract businesses and trained employees in search of a high quality of life.
- Parks and open space attract tourists and boost recreational spending.
- Parks and open space reduce obesity and health care costs by supporting exercise and recreation.
- Working lands, such as farms and forests, usually contribute more money to a community than the cost of the services they require.
- Conserved open space helps safeguard drinking water, clean the air and prevent flooding—services provided much more expensively by other means.

Adapted from The Trust for Public Land, Spring 2006.

Introduction

Communities can grow smart, attract investment, revitalize urban areas and boost tourism, all while safeguarding the environment and preserving parks and open space. The Trust for Public Land, in their publication, *"Economic Benefits of Parks and Open Space: How Land Conservation Helps Communities Grow Smart and Protect the Bottom Line,"* demonstrates that local governments can protect the environment and benefit economically.

Outdoor recreation is a key component of boosting local tourism. Many localities are now recognizing that by providing lands for outdoor recreation, they are able to attract tourists to their area. Hiking, camping, biking, birding, boating, fishing, swimming and skiing are some of the more popular recreation activities supported by public and private parks and open space.

Many of the same economic benefits associated with parks and open space are also associated with a strong program of recreation activities and sports. Residents and businesses looking to locate in a com-

munity examine recreation programs available to youth, adults and senior adults as an important "quality of life" factor. Communities that offer quality recreation programs can reduce crime and delinquency and increase the overall health of their citizens, thus demonstrating that recreation programs are great community investments.

Findings

- Tourism spending in Virginia reached a new high in 2005 of \$16.5 billion, which is a 9.6 percent increase over the 2004 figure of \$15 billion. Preliminary data from the Virginia Tourism Corporation (VTC) also indicates that 207,000 Virginians are directly employed in the tourism industry, with a total 2005 payroll of \$4.1 billion.
- Virginia State Parks report 741,043 overnight visitors and 6,255,332 day-use visitors to the parks in 2005. Using a formula that is calculated by \$75 daily spending for each overnight visitor and \$16 daily spending for each day use visitor, the direct economic impact of state park visitation was \$155,663,537 statewide.



Virginia Creeper Trail. Photo by Virginia Tourism Corporation.

- Three 2004 studies conducted for the Virginia Department of Conservation and Recreation (DCR) assessed the demographics, preferences and economics of the Washington and Old Dominion (W&OD) Trail, the Virginia Creeper Trail (VCT), and the waterway at New River Trail State Park (NRTSP).
- The W&OD Trail had an estimated 1.7 million users who annually spent \$12 million related to use of the trail.

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- VCT users, including locals and nonlocals spent about \$2.5 million over the sample period related to recreation visits. Of this amount, nonlocal visitors spent about \$1.2 million directly in the Washington and Grayson County economies, supporting close to 30 jobs.
- When looking at the waterway at NRTSP, the estimated 155,000 visits for water-based recreation accounted for \$5 million in total spending.
- In 2005, Virginia Tech's Office of Economic Development (OED) completed an economic impact assessment study of the Blue Ridge Music Center (BRMC) for the National Council for the Traditional Arts in cooperation with the National Park Service. The study examined the potential impact on jobs, spending and taxes to the Galax area of the BRMC expansion. The BRMC, through its mission, philosophies, location, new audiences, programs and exhibits, serves as a primary component of the larger regional efforts such as the Virginia Heritage Music Trail, also known as the "Crooked Road Project." www.econdev.vt.edu/clients.html#Tourism
- According to a December 2005 report from the Virginia Institute of Marine Science, recreational salt-water fishing in Virginia generated \$824 million in sales, \$478 million in income and 9,090 jobs.
- In Virginia in 2005, 14,520,721 visitors to National Park Service sites had an economic impact of \$263 million supporting 6,100 local jobs.
- Economic impact studies on the economic benefits of parks, recreation and open space specific to Virginia were not always available. Thus, information taken from other states and regions, as well as national research, was used to demonstrate these economic benefits.
- In Dallas, Texas, homes facing one of the 14 parks studied were found to be worth 22 percent more than homes a half-mile away from such an amenity (Miller, 2001).
- In Portland, Oregon, 193 parks ranging in size from .2 acres to 567.8 acres were, as a group, found to have a significant positive impact on the value of properties within a straight line distance of 1500 feet (Bolitzer & Netusil, 2000).
- The U.S. Fish and Wildlife Service conducted a survey of Americans on their participation and expenditures on fishing, hunting and wildlife-associated recreation. Survey findings are available at this website: <http://federalaid.fws.gov/surveys/surveys.html>
- Natural open space and trails are prime attractions for potential homebuyers. American Lives, Inc. con-



Environmental Education at Smith Mountain Lake 4-H Center. Photo by Franklin County High School.

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ducted a study of homebuyers for the real estate industry. They found that 77.7 percent of all homebuyers and shoppers who participated in the study rated natural open space as “essential” or “very important” in planned communities. Walking and bicycling ranked third. (www.americanlives.com)

- Properties next to the Mountain Bay Trail in Wisconsin sell faster and for an average of 9 percent more than similar lots away from the trail. (Brown County Planning Commission)
- Homes near the Monon Trail in Indiana command selling prices 11 percent higher than other homes in the area. (Central Indiana Center for Urban Policy and the Environment)
- Direct expenditures by birders visiting eight selected national wildlife refuges in the United States ranged from \$500,000 to \$14.4 million per refuge per year.
- One major component of ecotourism is education about the local culture or aspects of the natural environment. In the 2006 *Virginia Outdoor Survey*, 82 percent of Virginians felt that it was either “very important” or “somewhat important” to provide environmental education in Virginia state parks.
- Parks and open space create a high quality of life that attracts tax-paying businesses and residents to communities. Corporate CEOs report that employee quality of life is the third most important factor in locating a new business. Small company owners say recreation, parks and open space are the highest priority in choosing a new location for their business.
- Youth and adult sports events are major contributors to local tourism visitation, as are nonsport special events and festivals often sponsored by local parks and recreation departments.
- In Virginia Beach, the Sports Marketing Event Support Program is a program designed to assist organizations in attracting sports opportunities that meet one or more of the following criteria: generate year-round overnight visitation, contribute to the quality of life in Virginia Beach through sport, generate regional and national media exposure for the City, and increase out-of-area economic impact. The goal of this grant program is to attract high quality amateur and professional sporting events, conferences and meetings, which advance and promote year-round tourism, economic impact and quality of life in the City of Virginia Beach through sport.
- The James River Advisory Council publishes an annual brochure called James River Days promoting a variety of activities sponsored by both public and



Princess Anne Athletic Complex. Photo by City of Virginia Beach Parks and Recreation.

private organizations that occur on and along the James River from April to September. The brochure is a cost-effective partnership that promotes river activities and enhances the economic viability of the River and surrounding community.

- The USDA Forest Service reports that properly cared for trees are valuable and growing assets, worth three times their investment. In a year, 100 mature trees remove 53 tons of carbon dioxide and 430 pounds of pollutants from the air, and catch 538,000 gallons of rainwater. They can save homeowners 20 percent on air conditioning costs and 2 percent on heating costs. Trees can also raise property values, each front yard tree can add 1 percent to the sales price and a large specimen tree can add 10 percent to the value of a house.
- In their 2002 Urban Ecosystem Analysis, American Forests measured a 32 percent tree canopy cover in the Roanoke Metropolitan Region. A goal of 40 percent was then recommended to them. Less than a year later, the Roanoke City Council passed an Urban Forestry Plan as part of their comprehensive plan. The plan's top priorities are to achieve the 40 percent citywide tree canopy goal within 10 years and to plant enough public trees to reverse the current annual net loss.
- Software such as the Money Generation Model 2 (MGM2) can be used to estimate the economic impacts of visitor spending on a local region. MGM models estimate visitor impacts on local economy in terms of contributions to sales, income and jobs in the area. The MGM produces quantifiable measures of park economic benefits that can be used for planning, concessions management, budget justifications, policy analysis and marketing. (<http://web4.canr.msu.edu/mgm2>)

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Devil's Backbone State Forest in Shenandoah County. Photo by DOF.

- Programs such as CITYgreen can conduct complex statistical analyses of ecosystem services, create easy-to-understand maps and reports, and calculate dollar benefits based on specific site conditions. (www.americanforests.org/productsandpubs/citygreen)

Recommendations

- Natural resource and parks and recreation professionals at all levels need to promote the economic benefits of parks, recreation and open space to the public, as well as to policy makers and government leaders.
- Additional scientific studies should be conducted to evaluate the economic impact of parks, recreation and open space in the Commonwealth of Virginia. These studies can be used to inform and influence decision makers in support of recreation and open space projects.
- As a part of green infrastructure planning initiatives, each locality in the Commonwealth should develop a parks, recreation and open space plan that will identify important natural resources, identify future park and open space sites and identify public access opportunities. The economic benefit for open space, conservation and outdoor recreation should be included in the open space plan for each locality. A plan to fund the acquisition and development of these important natural resource investments should be integrated in to local budgets.
- DCR and VTC should develop a survey on outdoor recreation resources, including parks, blueways, trails and natural areas.
- Localities should consider using new technologies for evaluating economic models that assess the impact of parks, recreation and open space. State

agencies working on green infrastructure databases and modeling may in the future incorporate economic valuations of these lands.

- Localities should invest in protecting and enhancing their tree inventory. Trees provide environmental and aesthetic benefits, as well as energy savings, stormwater runoff reduction, cleaner air and higher property values.
- Public agencies need to identify eco-tourism, cultural tourism and outdoor recreation opportunities in their area, package the experiences and market them to attract additional tourists to their locality.
- Localities should seek to attract sport and recreation tournaments and events, as well as to sponsor special events and festivals that showcase their community and increase the economic vitality of their area.

In 2004, Prince Edward County commissioned a study entitled "*Evaluating the Economic Impact of the Proposed High Bridge Rail-Trail State Park.*"

- The study estimated 68,000 visitors per year that would have over a million dollar economic impact on the nearby community.
- The unique position of the region in Civil War history is expected to attract an additional 15,850 visits to the trail each year with an economic impact of \$295,127.
- Leisure travelers that visit the region because of local colleges or Green Front Furniture Store contribute 8,400 visits per year and an economic impact of \$156,408.
- Trail related walk and run events are also expected to realistically attract 2,500 visitors resulting in an additional \$33,500 in regional sales.
- A multi-day festival in Farmville could attract 20,000 visitors with an economic impact of \$501,900.
- Trail related activities could attract a total of 115,000 annual visits with a \$1.9 million impact.

Value of parks and open space

Municipalities are finding that the preservation of open space and parks is a wise investment and saves tax dollars. Green infrastructure and open space conservation are often the cheapest way to safeguard drinking water, clean the air and achieve other environmental goals. Forested lands control erosion, help clean the air of pollutants, absorb carbon dioxide and

other harmful greenhouse gasses, and help shelter our houses from heat and wind. Wetlands serve as wildlife habitat, absorb storm and flood water, and reduce pollutant and sediment loads in watershed runoff. Without wetlands, society would have to pay to engineer these services; however, these services are provided at no additional cost if adequate wetlands are preserved in the watershed.

The economic effects of building parks and protecting open space are sometimes easily identified, as in the case of a camp store located next to a park entrance. However, the economic connection to quality of life is subtle and difficult to ascertain. For example, when the deciding factor for locating a company in a particular community is the quality parks and recreation facilities and open space within the community, the exact economic value of these resources is difficult to determine. Many communities across the country have experienced an economic revitalization due, in whole or in part, to the development of parks or the preservation of open space. There is growing evidence of the positive impact of parks and open space on the economic vitality of a community.

While those working in the natural resource and parks and recreation fields have known the importance of natural resources for years, it is becoming better known by other professions and politicians that these resources contribute both directly and indirectly to quality of life and to economic viability of all communities across the Commonwealth.

Urban areas benefit from parks, community gardens and recreational open space through stimulated commercial growth and inner-city revitalization. The City Parks Forum, supported by the American Planning Association, describes the role of urban parks today: "They provide formal and informal gathering places for building community. They help positively influence property values. They give city dwellers a place to connect to the natural world. They make our urban areas more inviting for living, working and relaxing."

Parks contribute to a high quality of life that attracts businesses and residents to a community, and localities benefit from the higher real estate values associated with parks and open space protection. Because of increased property value, real estate near parks generates additional tax revenues. In some cases, increased tax revenues can pay for the cost of the park in a fairly short period of time.

Although a few studies have been conducted to assess the economic value of key outdoor recreational



Skyline Caverns near Front Royal. Photo by Nancy Sorrells.

resources in Virginia, there is a need for additional studies to document the wide range of benefits that open space and parks provide. Several studies and economic models done nationally and in other states are listed in the findings section of this chapter. These studies and resources should help local government to better identify and demonstrate the long term economic value of land conservation and support them in making stronger recommendations for investing in parks and open space.

Tourism

Recreation and tourism are many times synonymous. Both bring enormous economic value to localities throughout the Commonwealth. In order to maximize the impact of recreation and tourism politically, specific goals and objectives should be included in the comprehensive plan for each locality. In addition, strategic plans and budgets that facilitate the incorporation of parks, recreation and open space in tourism efforts need to be made at the local and state levels.

Virginia is famous for its history and scenic landscapes. Visiting historic and cultural sites is a major

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attraction of tourists in the state. Recent tourism initiatives include Virginia's invitation to the world in 2007 to commemorate the 400th anniversary of the founding of Jamestown. Festivals, exhibits and educational programs will share the legacies of Jamestown—where our representative government, political traditions, commercial enterprise system, cultural diversity and language began. Visitors will learn about history, while contributing to the economic vitality of the Commonwealth. To a smaller extent, there are annual festivals across Virginia celebrating shared culture, while providing economic rewards for the sponsoring communities.

Scenic views and vistas are also major attractions for travelers. Natural beauty and quality of the view were found by the Commission on America's Outdoors to be the most important criteria for tourists seeking outdoor recreation sites.

Value of recreation programs

Quality community athletic and recreation facilities can contribute to the local economy. By hosting local, regional, state and national tournaments and events, localities benefit from tourist dollars spent at local businesses, such as hotels and restaurants.

While the direct economic benefits of hosting these events may be fairly evident in sale of hotel rooms and meals at restaurants, it takes some time and diligence



Youth Soccer. Photo by Chesterfield County Parks and Recreation.

to demonstrate the long-term economic benefits of ongoing, local recreation programs. For example, youth sports programs have costs associated with them, and when local government budgets are limited, these programs must compete with schools, law enforcement and other important services for local dollars. The long-term economic benefits to the community may be tougher to determine, but evidence shows that participation in youth sports has verifiable benefits that reduce costs to individuals and the overall community. Study after study has shown that participation in youth sports helps reduce juvenile delinquency, increases productivity and supports a healthy lifestyle over the life span.

The Crooked Road

A wonderful example of a community and region assessing their cultural resources and promoting them to provide an economic boost is Virginia's Heritage Music Trail, "The Crooked Road," which is a driving route through the Appalachian Mountains from the western slopes of the Blue Ridge to the coalfields region of the state. The trail connects major heritage music venues in the Appalachian region such as the Blue Ridge Music Center, Birthplace of Country Music Alliance and the Carter Family Fold. The traditional gospel, bluegrass and mountain music heard today was passed down from generation to generation and lives on through a wealth of musicians and instrument makers along the trail. Annual festivals, weekly concerts, live radio shows and informal jam sessions abound throughout the region. In addition, this region is also rich in other cultural and natural assets, particularly crafts and outdoor recreation. A wide variety of traditional handcrafted woodwork, weaving and pottery can be found

along the trail in country stores and small workshops. The lush valleys and rugged mountains offer numerous opportunities for outdoor activities, from hiking and biking, to fishing and boating.

Complementing "The Crooked Road" is 'Round the Mountain: Southwest Virginia's Artisan Network which is a nonprofit organization whose mission is to promote sustainable economic development of the region's communities by assisting local artisans with marketing, educational and entrepreneurial opportunities.

The Virginia Tourism Corporation held a conference in 2006 on "Creating a New Economy in Southwest Virginia – Celebrating Cultural Tourism Partnerships." The purpose of the conference was to explore and showcase the cultural assets and opportunities of Southwest Virginia and learn about the emerging creative economy. It is a model worth exploring in other regions of the Commonwealth.

Selected resources

American Forests
P. O. Box 2000
Washington, DC 20013
(202) 737-1944
www.americanforests.org

American Planning Association
1776 Massachusetts Ave., NW
Washington, DC 20036-1904
(202) 872-0611
www.planning.org

American Recreation Coalition
1225 New York Avenue NW
Suite 450
Washington, DC 20005-6405
www.funoutdoors.com

Outdoor Industry Association
4909 Pearl East Circle, Suite 200
Boulder, CO 80301
(303) 444-3353
www.outdoorindustry.org

Rails-to-Trails Conservancy
1100 17th Street, NW 10th Floor
Washington, D.C. 20036
1-877-GRNWAYS
www.railstotrails.org

The Trust for Public Land
116 New Montgomery
4th Floor
San Francisco, CA 94105
(415) 495-4014
www.tpl.org

U.S. Fish and Wildlife Service
1849 C Street, NW
Washington, D.C. 20240
1-800-444-WILD
www.fws.gov

Virginia Tourism Corporation
901 East Byrd Street
Richmond, VA 23219
(804) 545-5500
Fax: (804) 545-5501
www.vatc.org

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